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Springfield Utility Board agrees

to cut BPA load by 20 percent

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SPRINGFIELD, Ore. – The Bonneville Power Administration and Springfield Utility Board signed a load reduction agreement on June 11 that will reduce the utility's demand on BPA by 20 percent, or 21 average megawatts, for two years starting in October 2001. The agreement includes a two-year extension of Globe Metallurgical, Inc.'s production curtailment as well as augmented conservation efforts in 14 new or expanded programs.

"We all have a stake in keeping BPA financially sound. It is the only way to keep rates affordable for all Springfield citizens, especially given a still very unpredictable energy market," said Steve Loveland, SUB's general manager.

Steve Wright, BPA's acting administrator, praised the board's commitment, saying, "Springfield Utility Board has taken a dramatic step toward conservation and load reduction and by doing so they are helping reduce the rate increase planned for Oct. 1. SUB is doing its part, and we hope that other utilities will do the same."

BPA's goal is to reduce loads for the next two years so that the agency does not have to buy power in the extremely expensive wholesale market, which could result in far higher electricity rates for Northwest ratepayers. BPA expects that within two years sufficient new generation will have come on line so that market prices will stabilize.

"Negotiations are ongoing with all our customer groups," said Wright. "We hope that our recent load reduction agreements with other customers and now with Springfield Utility Board will encourage additional commitments – and soon."

On June 6, BPA announced that the region's federal electricity system is headed for wholesale rate increases of 150 percent or more beginning Oct. 1 unless its industrial and utility customers make additional commitments to reduce energy use by the agency's June 22 deadline.

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